

Bush v. Shultz:

A Matter of Memory?

By Daniel Schorr

"MY RECOLLECTION is that he was present," said Secretary of State George P. Shultz on both CBS and ABC television.

"No he wasn't," said President Reagan during a White House photo opportunity.

And the subject of the disagreement, Vice President George Bush, maintains that he doesn't remember being there, and certainly not when Shultz and Secretary of Defense Caspar Weinberger were voicing strenuous objections to the sale of arms to Iran.

"I would have remembered that," Bush told Dan Rather on CBS. "I don't remember that."

What's going on here? Why this continuing tension among high officials about one meeting on Jan. 7, 1986? And why does Secretary Shultz continue to disagree openly with Reagan and embarrass Bush in his presidential campaign by insisting the vice president was indeed there?

The answer, according to several people who know Shultz well, is that the secretary of state is convinced he's right and determined to speak out. Shultz remembers the Jan. 7 meeting clearly because he was startled to learn that day that the vice president, a veteran of orderly government process, was supporting a risky and unconventional scheme promoted by White House advisers. Shultz told Tower Commission: "It was clear to me by the time we went out

[on Jan. 7] that the president, the vice president" and others favored the Iran arms sale.

Another factor in Shultz's decision to speak out, according to one source, was his belated discovery that Bush had attended the Jan. 7 meeting with the secret knowl-

edge that the president had already made up his mind the previous day to support the arms deal. To Shultz, this meant that the Jan. 7 meeting at which he and Weinberger had ardently opposed taking this course had been a charade.

Shultz sees himself as a lonely guardian of integrity and regularity in government, his friends say. He reportedly has told one adviser that, while he doesn't intend to volunteer criticism of Bush, he has decided to respond to factual questions about what he observed of the vice president's involvement in the Iran-contra affair. As Shultz's admirers tell it, this represents the continuation of a crusade that prompted the secretary and his legal adviser, Abraham Sofaer, to blow the whistle on the Iran-contra affair in November 1986. Shultz's detractors, on the other hand, say that although he had considerable knowledge of what was going on throughout the Iran affair, he remained silent and only intervened when the crash was imminent—to save his own skin.

The Shultz-Bush disagreement about the Jan. 7 meeting is the latest chapter in a longstanding conflict between the secretary of state and other members of the Reagan official family. A dramatic moment came on the night of Nov. 20, 1986, when Shultz went to the White House to warn the president about what he feared was an imminent coverup of Iran-contra. Meanwhile, Sofaer was warning the Justice Department that CIA Director William Casey was preparing to testify falsely, on the basis of a doctored chronology, that American officials had believed they were sending oil-drilling equipment—not Hawk missiles—to Iran in November 1985. This false testimony was belied by notes that Shultz had dictated following a briefing by National Security Adviser Robert McFarlane during the Geneva summit, Sofaer told the Justice Department.

Shultz's challenge brought him into sharp conflict with the palace guard. One source says that Casey wrote a private letter to Reagan, denouncing Shultz for disloyalty and demanding that he be replaced. McFarlane, who had worked closely with Shultz on arms control, asked to consult the damaging Geneva notes—and was refused. The two men, on opposite sides of the legal barricade, exchanged no words for the next eight months, friends say. Recently, however, they have talked in friendly terms by telephone.

The New York Times _____
The Washington Times _____
The Wall Street Journal _____
The Christian Science Monitor _____
New York Daily News _____
USA Today _____
The Chicago Tribune _____

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When White House Chief of Staff Donald Regan was asked in November 1986 about Shultz's public criticism of the arms deal, he commented on television: "I am a team player and I stay on the team." The conflict between Shultz and Regan helped break a long friendship, although the two men are said to have met again recently on the golf course and exchanged friendly words. Ironically, Regan didn't "stay on the team" for long. And the team itself is now largely disbanded, with some members facing legal problems that Shultz and Sofaer may have helped create for them.

These old scars lie beneath the Bush-Shultz disagreement over the Jan. 7 meeting. To Shultz, explains one of his friends, it seemed at this meeting that Bush had turned from a lifetime of supporting orderly government to backing the "cowboys."

In the eight-month battle leading up to the Jan. 7 meeting, Shultz and Weinberger had believed that Bush was standing on the sidelines. It was a battle that aligned the State and Defense departments against an adventurous group of advisers—Casey at the CIA, McFarlane and John Poindexter at the NSC, and their deputy, Oliver North.

When the CIA, in May 1985, first circulated a paper proposing a new policy that would relax the arms ban on Iran, Weinberger had called it "absurd" and Shultz had opposed any change in policy as long as terrorists linked to Iran held American hostages in Lebanon.

The initial arms-delivery program through Israel—launched over the secretaries' objections—came to a crashing halt in November 1985. It was brought up for renewed discussion in the Oval Office on Dec. 7, 1985. Again Weinberger called it "a terrible idea," and Shultz said, "We are signaling to Iran that they can kidnap people for profit." (Bush, out of town for a football game, missed the Dec. 7 meeting. But Poindexter has testified that he probably briefed Bush on it.)

Weinberger reported to his Pentagon staff that he and Shultz had "strangled the baby in the cradle" at the Dec. 7 meeting. Shultz was not so sure.

After the New Year, Bush was asked to be sure to attend Reagan's regular 9:30 national-security briefing on Jan. 6. At that meeting, in a small circle that included Chief of Staff Regan—and with no prior word to the State and Defense departments—Poindexter outlined a new arms-delivery proposal.

The president said he generally agreed with the plan, and that it should be laid before the National Security Council next day. Poindexter put before Reagan the draft of an intelligence "finding," authorizing arms sales to Iran for the purpose, among other things, of "furthering the release of American hostages," the program to be kept secret from Congress indefinitely. Reagan picked up his pen and signed the document. Regan would later testify that this was an error—the finding wasn't yet ready for signature—and the president signed a slightly amended version on Jan. 17. But his tentative approval may have made academic the next day's heated debate in the NSC.

The key meeting on Jan. 7 took place in the Oval Office, where the inner circle of the NSC gathered to discuss the Iran arms deal. At this meeting of the president and his top advisers, Shultz and Weinberger weren't told that the president had signed a finding the previous day. In fact, they were not told that any such document existed. Indeed, they arrived at the White House unaware that the arms deal—which they thought they had stopped a month earlier—was even on the agenda.

In the next hour and 20 minutes, according to the Shultz camp, the two Cabinet officers proceeded fervently to counsel the president against selling arms to Iran. They slowly became aware of their isolation: Regan, who had opposed the deal a month earlier, now favored it; and Vice President Bush, who had stayed aloof from this controversy, was now also in favor. These officials apparently knew what Shultz and Weinberger did not—that the train had already left the station.

The record suggests that Shultz and Weinberger never really caught up with the train until it was derailed 10 months later. They say they heard from Poindexter in an Oval Office briefing on Nov. 10, 1986 for the first time about the January "findings"—whose signing Bush and Regan had attended. Shultz exclaimed, "That's the first I ever heard of that." Weinberger said, "I have never heard of it either."

Bush's press spokesman, Stephen Hart, says the vice president doesn't recall that any finding was signed on Jan. 6, although "records indicate" the vice president attended the 9:30 briefing on that date. Nor does Bush, he said, yet recall hearing objections from Shultz and Weinberger on Jan. 7. Further, says Hart, the vice president does not recall any finding on Jan. 17, although Poindexter's memo says he was present when Reagan was verbally briefed on it.

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But Shultz, according to a source close to him, has no doubt—based on his own recollection and a review of classified records—of where Bush sat during the Jan. 7 meeting, and where he stood at the end.

Whatever the resolution of the Bush-Shultz disagreement, it's clear that Poin-dexter believed he had drawn Bush into the inner circle supporting the Iran initiative. On Feb. 1 he sent a private computer message to McFarlane saying: "George and Cap still in disagreement on policy, but are co-operating." And then: "President and V.P. are solid in taking position that we must try."